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### Living in a world of foam

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## II. University in context

### 5. Carmelo Mazza and Paolo Quattrone: Living in a World of Foam: Global Ideas, Bubbles, Institutions and the Fairy Tale of Business Education<sup>1</sup>

*As every morning Irina laced her bike on the bike rack, trying to be as quick as possible to avoid the mist. Weather was usually awful in Eastern Europe Winter evoking some Čechov landscape. Once in the grandiose building hosting his school, with its Van der Rohe's chairs adorning the lobby to reassure unstable identities that they are corporate selves, she went to the post room. She was nicely surprised to find a parcel in his pigeon hole. The first copy of her book on changes in the educational field had arrived. It took a while to get that book published but in the end it was there with its glossy cover. That book collected contributions reflecting on various policy making choices when to deal with educational institutions, the dangers and opportunities of the changes for this complex field.*

*"These are important issues!" Irina thought, and thus the book deserved a bit of publicity and decided to contact Mikhail, the marketing manager of her school, to get the good news on the main page of the School's web site. As the business school was eager to display the result of relevant research on business, this had happened in many other cases for research on private equity, risk assessments, entrepreneurship and the like, so why not having news on the managerialization of education? The*

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<sup>1</sup> Acknowledgment: This chapter represents the result of authors' ongoing reflection on the globalization theme and on its implications on institutional view of society. By no means it tells real events; it and all references to place, names and organizational roles are purely fictional although external conditions and internal tensions may look similar to those experienced every day in several educational institutions. It is therefore impossible to account for the long array of people who have unconsciously contributed to these reflections and by discussing papers, ideas, simple intuitions. This said, we wish to acknowledge some of those scholars with whom we discuss most of the ideas in the chapter: Lars Engwall, Gustavo Fischman, Renate Meyer, Chiqui Ramirez, Angelo Riccaboni, and Belhul Usdiken.

*marketing function of a business school is a very important one; marketing is where the business school is projected into the external world but, more worryingly, it is sometimes where the external world is projected into the business school. We often think of resisting to the impact of marketing on our academic work; however we have to acknowledge how it may determine our institutional visibility and career much more than our sophisticated, double blinded peer reviewed papers.*

*As any young researchers, Irina, proud of her recent PhD diploma in Education and Learning from a new university in the country, truly believed (and still believes) that business schools could be the avant-garde of a new genre of education, open to interdisciplinary research, nurturing managers as civic beings. With this idealistic view in mind, Irina sent an email to Mikhail, the marketing manager.*

***Irina:*** *Dear Mikhail, do you remember that I mentioned of a book on education coming out? It has finally been published! Can you please make sure that the news appears on our web site? Thanks!*

***Mikhail:*** *Irina, it is one of the rotating items on the faculty and research pages. We are currently taking a “snapshot” of the website every night, which means that it might not appear in the news box on these pages every day. Best,*

***Irina:*** *Dear Mikhail, Thanks but I fear though that that space is virtually invisible. I thus wonder whether there is a policy about ‘who’ and ‘what’ is publicized on the main News page as some members of faculty get their academic achievements and publications there and some others do not (and some of these news remain there for a long time). Is there a policy for this? I understand there might be a marketing implication and thus it would be nice to understand what drives what.*

***Mikhail:*** *Irina, the news items that go onto the homepage are usually those that are most closely aligned with the School’s mission, while appealing to the widest possible audience in terms of geography and role (prospects, journalists, corporates, researchers, academics etc). I tend to choose stories that reflect themes with immediate business implications such as world-changing (e.g. Social World Forum), University lifestyle (e.g. sport), elite passkey (networking events), entrepreneurship (e.g. alumni new ventures), research-driven (e.g. research on hedge funds) and so on.*

*As you know, your book, as well as featuring in the faculty and research news channel, has also been promoted via a press release to our business education press contacts. However, because it does not focus primarily on business, I felt the fit with the School's mission was not strong enough to put it on the homepage. I hope your publisher will be able to support you with further promotion. Best wishes,*

**Irina:** *Dear Mikhail, Thanks for the clarification. It is interesting to learn more about the school's mission. It is also useful to know that my research does not fit into those and it is not considered as to be able to attract the widest possible audience. It is even more interesting to be told that by the marketing department. I now gather that there is a definition of such a mission which is clear enough to make decisions of this kind. It would be interesting to know how, by whom, where, and where this mission has been defined and the role of the academic faculty in this process.*

*The book is titled 'higher education on the move' where the 'move' is from higher education as an intellectual activity to higher education as a business enterprise and it warns about the dangers and risks of this global trend and transition for the institution, freedom of expression and the production of knowledge. I'd say this exchange of email testifies the value of the book's arguments.*

*Irina still likes the idea of being part of the avant-garde of education and sometimes she speaks this way at dinners with his friends. Nevertheless she now questions herself on whether this story is only a fairy tale and begun wonder where the driver who offered her a ride towards top higher education is actually taking her now. Meanwhile at the school the new course on private equity has been launched, a seminar of a professor of strategy who happily defines himself a positivist who believes in truth and science has been announced, and selected CEOs have delivered lectures on the topic 'competition, democracy and firms'. Business schools: what else?*

## *The strange case of the university as institution and the fairy tale of business solutions*

Education is undergoing profound changes. The managerialization wave shaping most of the debate around university (for a sample of the key contents of this debate, see Mazza, Quattrone and Riccaboni, 2008) praise a turn of universities into business-like organizations. This is not surprising, as 'performance' (at least in the contemporary economies and societies) evokes powerful and positive ideas of success, so powerful this idea is that it would be difficult for anyone to argue against it (Hansen and Mouritsen, 1999). Universities, for instance, are under increasing pressure to contribute to the production of national wealth and thus need to 'perform' and contribute to create value immediately through the commercialization of the knowledge produced via patents, spin-offs and the like, and/or indirectly, by forging new identities that can be termed as 'entrepreneurial citizen'<sup>i</sup> that through their daily work can also offer a contribution to national wealth. Despite the lack of any stable and significant correlation between regional, national and transnational performance and academics' achievements in higher education (Schofer, Ramirez, and Meyer, 2000, see also Robinson, Richard, and Brown, 1994), it is hardly thinkable to question the validity to such relationship.

Business principles offer ready-made rhetoric for addressing this performance issue. 'Efficiency', 'performance', 'marketing' and 'governance' have entered not only the language of university reforms but also the classrooms of primary and secondary schools: better run education will better contribute to national wealth. As argued by Frank and Mayer (forthcoming), we are witnessing an interesting short circuit where ideas and principles developed in university departments, such as economics accounting and finance are coming back to their birth place.

However, in this move something is no longer working as these global ideas are increasingly being questioned and when questioned they are found to be empty: they are empty semiotic spaces where everybody can project their own meanings and actions making of diverse and often conflicting agendas a unified whole (see Barthes, 1971; Quattrone, 2009). For instance, this is the case, in the regulation of

financial reporting, of the idea of 'fair value', which constitutes the accounting declination of the idea of transparency and efficient capital markets; an idea that has been problematised and put aside in the light of the recent economic crisis as its effects were becoming themselves too transparent and thus not able to make everyone happy as someone could then clearly disagree if not with the notion at least with the effects of fair value accounting.

The Master in Business Administration (MBA) is another example of this kind. As lucidly illustrated by Florence Noiville (2009) in her pamphlet describing her experience as student of a top European business school, and how argued by Khurana (2007) in his book showing the failure of the Business schools' mission in the USA to create a new professional figure, ideas such as 'efficiency', 'profit maximization' etc. are no longer able to be linked to specific learning practices. The result is that there is still a large demand for the MBA but then students seem to care less and less about the content of the curriculum of studies and more and more about the label, the legitimating value of the title. Yet, they are fully aware that, at the level of the individual, to recover skyrocketing fees is increasingly more and more difficult in the current economic milieu.

There is an interesting paradox and at least one effect resulting from this detachment between idea and practice. The paradox lies in the continuous (and still growing) diffusion of some global ideas despite their evident failure (see also Czarniawska and Sevón, 2005). Apparently, the more these ideas fail the more people rely on them to solve the problems that the ideas themselves have created: the market fails and the policy makers' solution to it is a call for more market; we (accountants) know that transparency in financial transactions is impossible to achieve (a fairy tale) and regulators' solution to the lack of transparency is a call for greater transparency (people clearly tend to believe in fairy tales). This has an interesting effect for explaining, from an institutional rather than economic perspective, why bubbles eventually explode: these ideas tend to grow to a dimension that will no longer be manageable when people suddenly realize that they do not deliver what they promise. At that point, the entire institution becomes scrutinized as organizational members will no longer enact those truth generating

practices that leave room for alternatives to emerge and eventually modify and reinforce the processes maintaining the bubble.

So unless some wisdom intervenes along the process of diffusion of the global idea and manages the air inflating the bubble by linking it to some practices that allow the reinvention of the idea itself, then the bubble explodes.

An example may help illustrate the point. If people go to mass, and keep going to mass, the church as institution is powerful, diffuses and persists. But this does not mean that the institution homogenizes people's minds and beliefs, as the believer is able to recreate each time the idea of God and religion: what the experience means to her or him depends on practicing the liturgy, the orthopraxis.<sup>ii</sup> In this sense, there are not meanings to be shared amongst believers. What they share is the liturgy and this is what needs to remain unquestioned as, otherwise, the institution 'church' would not have instruments to fill with meaning the empty space provided by ideas such as 'God' and 'salvation'. It would lose its power to engage believers for it to diffuse and persist. In our view, the adoption of global ideas provides legitimacy to adopters not necessarily by displaying conformity with norms and values (DiMaggio and Powell, 1983), but by making adopters access the rituals and ceremonies the institutions undertake, whatever meaning is implied by the participation to the rituals and ceremonies by a multitude of adepts.

In the strange case of the university, administrators, donors, students and families still believe that business ideas will solve all the problems of the university, from finance to daily administration. The problem with these ideas though is that they are supported by reductionist practices that praise minimization of costs and maximization of profit, where cash and making money (fungible but very concrete things) are the only Gods to be praised, leaving no alternatives to this vision. When people will realize that business ideas have rendered the mission of the university as institution too narrow and short term, it will be too late to react. The diversity and complexity of the university and its legitimacy as institution will have disappeared for the sake of profit seeking and money making.

Nowadays global ideas are rooted in economics and try to explain the whole world from that perspective. The *homo oeconomicus* may not exist in reality (MacKenzie, 2006) but it does as appealing idea proffered by professors of economics, corporate finance, and market-based researchers in accounting. The fairy tales about 'efficiency', 'cost cutting', 'mergers & acquisitions', 'customer orientation' 'quality control' and various other dragoon-like ideas are all available there to be recounted by a platoon of consultants, opinion makers, professional deans and administrators to a mass of academics, and researchers who know the emptiness of these terms far too well.

In this grey landscape, we listen to the words by Roberto Benigni, the Oscar winning Italian film director and actor, as told in the TV program "Via con me" in 2010:

"Le favole non è che dicono ai bambini che esistono i draghi,

i bambini che esistono i draghi lo sanno già da soli.

Le favole dicono ai bambini che i draghi possono essere sconfitti.

Quella è la cosa meravigliosa"

"It is not that fairy tales tell kids that dragons exist,

kids know already by themselves that they exist.

Fairy tales tell kids that dragons can be defeated.

That is the marvellous thing"

This is yet another fairy tale, but one in which we would like to believe. We work as academics with the hope that Benigni's idea will diffuse and persist. But we also know that linking this other fairy tale to concrete practices alternative to those inspired by neo-classical economics is likely the last opportunity for the university to reproduce itself.

### ***Conclusion: Looking for another fairy tale***

Is another fairy tale possible in the academic world? This question lays at the root of this chapter. Assuming that the education bubble is ready to explode, another set of practice and rhetoric have to emerge in order to save the university and the other



higher education institutions. Some attempts are on the ground and already deserve scholarly attention.

First, we see in many countries the rise of a proud defense of the academic prerogatives against the emerging managerialization of academic life. We refer here at several critiques challenging key aspects of academic institutions adopting management solutions such like the growth of low salary, on demand, teaching positions in business schools. This management solution for the acquisition of faculty members is at the opposite of the old concept of Faculty. As the Oxford Etymology Dictionary reports, the word Faculty comes from Latin and older French meaning wealth, skills, learning. *“Academic sense “branch of knowledge” (late 14c.) was in Old French and probably was the earliest in English (it is attested in Anglo-Latin from late 12c.), on notion of “ability in knowledge” or “body of persons on whom are conferred specific professional powers.”* ([www.etymonline.com](http://www.etymonline.com)). Faculty is therefore a group and the wealth and skills belong to the group and the interactions the group establishes. Turning educational institutions into networks of weak ties among academics temporarily sharing teaching resources represents a transformation of the concept of “Faculty”. Faculty becomes the sum of professional CVs rather than a body of persons with specific professional powers. In this sense, the development of a class of teachers and researchers without strong faculty ties is consistent with the overall process of *individualization* in the academic domain as well as in society (Bauman, 2001). A fairy tale we need is one where the dragoon of individualization of academic life is defeated.

Second, we see in many contexts the rise of critiques against the research assessment procedures. In UK such critiques have been rising for many years now. In other countries where research assessment has been more recently implemented, like in Italy, these critiques are now emerging, with the rejection of participating in the assessment exercises. However, those critiques challenge the very meaning of research assessment. As part of the need to make all the public sector accountable through rituals of verification (Power, 1998), evaluation in education institutions represents a ritual to enforce the diffusion of managerial practices, such as rankings, sanctions & rewards systems, since it appears to share the same (managerial) value

system, or ideology if this word is still in use. Open challenge to this assessment logic is leading to the rise of alternative forms of free co-operative university aiming at the re-discovery of the essence of university role in society and of internal university working. Indeed, these two aspects are the two sides of the same coin. The university role in society is shaped by the way it works internally. A managerialized university can only play a role in society supporting the reproduction of management practices and ideology. A fairy tale we need is one where the dragoon of management ideology is defeated.

Finally, increased criticisms rise against the “product” of university education, i.e. graduates. Interestingly, the rise of criticism against the MBAs, for instance, immediately follows the rise of management education (Khurana, 2007). Nowadays, the adequateness of university education to provide business with appropriate “hired hands” is questioned. During the recent crisis, a novel rhetoric of self-made entrepreneurs able to turn their ideas in successful enterprises outside the academic environment (or against it) is becoming more and more popular. In many European countries, university education is failing in its traditional role as social lift. Graduation is not per se able to provide access to top positions in several European countries. MBA is no longer a pathway towards top management positions. Entrepreneurship is the individual talent that replaces university degrees as the way to climb the social ladder. A fairy tale we need is one where the dragoon of the uselessness of university education is socially defeated.

Hereby we have depicted a few elements of the fairy tale we need to diffuse following to Benigni’s words. We have also outlined some of the dragoons that are affecting the role of university as an institution. Many of those dragoons have been nurtured and developed within university rooms. Some of them received scholarly attention and were even theorized within universities. We believe it is time to make a conscious, collective effort to stop creating dragoons and devote ourselves to spread new fairy tales of the social role of university to change the world once again.

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i This is an expression coined in conversation with Gustavo Fishman to whom we are grateful.

ii See Carruthers, 1998 and her notion of orthopraxis, where belief is created through the performance of some learnt practice rather than by adhering to a text or a given social belief, as in orthodoxy.